

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Southern California Edison  
Company (U 338 E) Regarding the Future  
Disposition of the Mohave Generating Plant.

Application 02-05-046  
(Filed May 17, 2002)

**ASSIGNED ADMINISTRATIVE LAW JUDGE RULING RE:  
PRELIMINARY ENVIRONMENTAL ASSESSMENT,  
SUPPLEMENTAL TESTIMONY, AND EVIDENTIARY HEARINGS**

**Summary**

This Administrative Law Judge ruling directs Southern California Edison Company (Edison) to prepare a Preliminary Environmental Assessment (PEA) and serve supplemental testimony<sup>1</sup> by April 16, 2004, Intervenor to serve supplemental testimony by May 14, 2004, and all parties to serve concurrent rebuttal testimony by due June 4, 2004. Evidentiary Hearings (EH) will take place June 14, 2004 through June 30, 2004.

**February 9, 2004 Prehearing Conference**

On February 9, 2004, a Prehearing Conference (PHC) was held. This was the third PHC in the proceeding since Edison filed an application on May 17, 2002, seeking authorization and direction from the Commission on the

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<sup>1</sup> Including resource scenarios as called for in Decision 04-01-050 addressing Edison's long-term resource plan needs assuming operation of the Mohave Generating Facility (Mohave) after 2005 and assuming a Mohave shutdown effective at the end of 2005.

continued operation of Mohave after December 31, 2005. Succinctly put, Edison requests authorization to spend in excess of \$1 billion on pollution control upgrades and related capital improvements to the facility, or to establish balancing accounts for the temporary, or permanent, closure of Mohave as a coal-fired plant by December 31, 2005.

Since the filing of the application there have been two previous PHCs, a Public Participation Hearing in Tuba City, Arizona, and numerous rounds of briefs and testimony on subjects related to Mohave's continued operation, or shut-down, post 2005. The future of Mohave has a significant impact on many stakeholders from the electricity users in California, to Edison ratepayers, workers at Mohave, the suppliers of coal, water, and transportation of the coal to Mohave, their respective work forces, the Navaho Nation, the Hopi Tribe, and environmental groups. However, just as the continued operation of Mohave affects many people, the continued operation of Mohave is dependent on many factors, most importantly the coal needed to fuel the facility, and the water needed to slurry the coal from its sources 273 miles east of Mohave, to serve the domestic and agricultural water needs of the Hopi and Navajo, and to cool the Mohave facility. The lack of finality on the coal and water issues has impeded progress in reaching a final decision concerning Mohave.

The purpose of the February 9, 2004, PHC was to hear from the parties on what is necessary at this juncture in the proceeding to move this application towards a decision on Mohave's future operation. It is necessary for the Commission to address Mohave's future in a timely manner, or by default, the facility will shutdown by the end of 2005. All interested stakeholders attended, and spoke, at the PHC, and most parties filed prehearing, or posthearing, statements setting forth their suggestions on moving the proceeding forward.

## **PEA**

Parties have briefed the issue of what, if any, further environmental studies are required if the Mohave facility is remain in operation post 2005. Initially it was thought that since Edison was operating under a 1999 consent decree<sup>2</sup> that settled a lawsuit alleging air quality violations at Mohave, that sufficient federal environmental studies had been done on the site. However, if this Commission determines that Edison is to go forward with the installation of the required environmental/pollution control equipment and related capital expenditures, a PEA on the construction activities related to the equipment installation will be necessary. Edison is therefore directed to prepare and submit a PEA on the necessary construction activities at the site, to this Commission, as soon as the PEA can be prepared but no later than 150 days from this ruling.

## **Edison's Long Term Resource Plan**

In Rulemaking 01-10-024, all the California investor-owned electric utilities, including Edison, are preparing Long Term Resource Plans (LTRP) to insure that they provide for sufficient resources for reliability, for a varied and balanced supply portfolio for price control, and for other projects to promote conservation, renewable resources, demand reduction, and energy efficiency. Edison is directed to prepare and submit in this proceeding LTRP resource scenarios that assume (1) operation of Mohave after 2005 and (2) a Mohave shutdown effective at the end of 2005. This is due April 16, 2004.

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<sup>2</sup> Mohave Environmental Consent Decree settled a federal civil lawsuit, CV-S-98-00305-LDG (RJ), that was filed against Edison and the other Mohave Co-owners in 1997, alleging various air quality violations at Mohave.

### **Up-Dated Testimony**

As referenced earlier, parties have served numerous rounds of testimony and briefs on a variety of subjects relevant to the future of Mohave since Edison filed its application in May 2002. In order to have the record up-to-date, Edison is directed to update its position and testimony on cost data and, where unavailable, cost estimates for Mohave on the following options: (1) the cost of permanent shutdown; (2) cost of installation of required pollution controls and related capital improvements to allow facility to continue as a coal-fired plant post 2005; (3) if option 2 is undertaken, cost of temporary shut-down for complete installation of pollution controls, and any costs related to re-powering the facility; (4) other alternatives, and their costs. This supplemental testimony is due April 16, 2004.

Any other party wanting to supplement/update testimony may do so, or may re-serve previous testimony without updating, as appropriate. Superseding Intervenor testimony is due May 14, 2004. Parties may serve concurrent rebuttal testimony by June 4, 2004.

### **EHs**

EHs are scheduled for June 14, 2004 to June 30, 2004, at 10:00 a.m. on Monday June 14, 2004, in the Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California. The schedule for subsequent days of EH will be established during the hearing. In preparation for the EH, Edison is to initiate a meet-and-confer telephonic conference call, no later than June 10, 2004, to address the following: identifying the principal issues on which the hearings will focus, key disputes, and any stipulations or settlements.

Parties should also use the meet-and-confer to discuss witness schedules, time estimates from each party for the cross-examination of witnesses, scheduling concerns, and the order of cross-examination.

To the extent feasible, parties should exchange exhibits in advance of this meet and confer so any objections can be addressed at that time. Edison, as the applicant, is asked to compile an exhibit list during the hearing, and then prepare a final exhibit list to be filed with the exhibits in central files.

Before post-hearing briefs are filed, the parties must agree on an outline, and use that outline for the briefs and reply briefs.

Finally, the parties should comply with the Hearing Room Ground Rules set forth in Appendix A hereto.

**IT IS RULED** that:

1. The schedule for serving supplemental testimony and rebuttal testimony is as set forth herein.
2. Evidentiary hearings are scheduled for June 14 through 30, 2004.
3. Parties are to meet and confer no later than June 10, 2004, to prepare for the hearing and to discuss witness schedules, time estimates for cross examination, and the order of cross examination.
4. Parties shall comply with the Hearing Room Ground Rules set forth in Appendix A hereto.

Dated March 9, 2004, at San Francisco, California.

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/s/ CAROL BROWN  
Carol Brown  
Administrative Law Judge

## **Appendix A**

### **Hearing Room Ground Rules**

1. All prepared written testimony should be served on all appearances and state service on the service list, as well as on the Assigned Commissioner's office and on the assigned Administrative Law Judge, and may be done pursuant to the electronic mail service protocols established for this proceeding. The judge may be served at cab@cpuc.ca.gov, and Commissioner Lynch is lyn@cpuc.ca.gov. Prepared written testimony shall not be filed with the Commission's Docket Office.

2. Each party sponsoring an exhibit should, in the hearing room, provide two copies to the ALJ and one to the court reporter, and have copies available for distribution to parties present in the hearing room. The upper right hand corner of the exhibit cover sheet should be blank for the ALJ's exhibit stamp. If there is not sufficient room in the upper right hand corner for an exhibit stamp, please prepare a cover sheet for the exhibit. Parties should pre-mark exhibits when feasible.

3. As a general rule, if a party intends to introduce an exhibit in the course of cross-examination, the party should provide a copy of the exhibit to the witness and the witness' counsel before the witness takes the stand on the day the exhibit is to be introduced. Generally, a party is not required to give the witness an advance copy of the document if it is to be used for purposes of impeachment or to obtain the witness' spontaneous reaction.

4. Generally, corrections to an exhibit should be made in advance and not orally from the witness stand. Corrections should be made in a timely manner by providing new exhibit pages on which corrections appear. The original text to

be deleted should be lined out with the substitute or added text shown above or inserted. Each correction page should be marked with the word “revised” and the revision date. Corrections that are obvious typographical errors do not need to be made.

5. Individual chapters of large, bound volumes of testimony may be marked with separate exhibit numbers, as convenient.

6. Partial documents or excerpts from documents must include a title page or first page from the source document; excerpts from lengthy documents should include a table of contents page covering the excerpted material.

7. Motions to strike prepared testimony must be made at least two working days before the witness appears, to allow the ALJ time for review of the arguments and relevant testimony.

8. Notices, compliance filings, or other documents may be marked as reference items. They need not be served on all parties. Items will be marked using letters, not numbers.

9. Any food or drinks, and containers, brought into the hearing room must be disposed of promptly and properly.

**End of Appendix A**

**CERTIFICATE OF SERVICE**

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Assigned Administrative Law Judge Ruling Re: Preliminary Environmental Assessment, Supplemental Testimony, and Evidentiary Hearings on all parties of record in this proceeding or their attorneys of record.

Dated March 9, 2004, at San Francisco, California.

/s/ ELIZABETH LEWIS  
Elizabeth Lewis

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at



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(415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.